

The Passing of an Era

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A few weeks ago the board of directors of the Boston Film/Video Foundation (BF/VF) announced that they had decided to close the organization. As the organization's former executive director—I served from 1988-2001—I got a trickle of email and letters, including some interesting comments. From a fellow executive director: "What the hell happened, Anne Marie?" From a local colleague and former staff member: "Think of it this way, maybe you kept it alive longer than it should have been." From a former colleague and board member: "I think BF/VF always had management problems." Hmmmm.

It is almost exactly three years since I left BF/VF, a decision that was not an easy one. Despite the stress, I loved the place. I loved the field and always found energy from the oddly unadulterated idealism that still existed in the independent world. But the time was right. A job opportunity in Boston came along (one that I could actually imagine taking), and I thought that for BF/VF to take its next big leap, it might need a new leader. I thought perhaps I was too much of a known quantity, and for the community to get behind a bigger BF/VF, it had to have a "bigger" executive director. Concurrent with the job opportunity, I decided to enroll in an MBA program. I like to tell everyone that BF/VF drove me to it. There were two issues at hand. First, I felt compelled to understand my own experience. BF/VF always seemed to be on the verge of making it but never quite getting there, leading me to wonder if maybe I really did stink at my job. I wanted to know which problems could be ascribed to management and which could be ascribed to the environment. I was interested in understanding what might have led to, or would still lead to, a different outcome for BF/VF. Secondly, an MBA might offer some professional flexibility in the long run. In short, therapy with a good outcome.

This past February, after being out of touch for a while, NAMAC's director, Helen De Michiel called. We talked about BF/VF's closing and what was going on in the field. Then we started talking about how I saw my experience now, with the MBA behind me. What lessons had I learned? Were there any new insights? Was there anything, perhaps, that might be of use to the rest of the field?

The passing of time alone allows one to look at things more dispassionately. And my business school experience offers the possibility of looking back through an understanding of business standards. After spending hours and hours on case studies in different sectors, I have gotten a better idea of the worlds I've lived in.

I thought it might be worth offering even a simplified view of what happened, what I learned, and what I think is important to remember. (Much of this agrees with Morrie Warshawski's point of view in his article, which I read ahead of time).

My top items:

- Size does matter.
- Planning makes a difference because it is based on and articulates strategy.
- Professional development for staff, no matter how poor the organization, is invaluable.
- Be very picky about who you work with.

BF/VF: The Really Short Story

At BF/VF, there were things we did wrong and things we did right. I stand behind our program mix, which included an extensive continuing education program in production and post-production; an exhibition program, including the New England Film & Video Festival, a Meet the Director series, and a forum for artists to present rough cuts to the public; and an artists' resources program, which included administration of the New England Regional Film/Video Fellowships, fiscal sponsorship, and discounts to area vendors. BF/VF was a membership organization and also published a quarterly newsletter, *Intervisions*.

A lot of people over the years said that we did too much, though I always felt that the programs supported and informed each other. Our staff was knowledgeable in the field and had expertise running programs. But we were desperately undercapitalized for the services we were trying to provide, and we could never get far enough ahead of the curve. Cutting back never meant a bigger margin. While a program like the New England Film & Video Festival may not have appeared "profitable," it had a host of other benefits. It brought the community together, it offered recognition to artists, and through the process of organizing a festival we often identified people who could become instructors for our classes or who might partake in other opportunities. The Festival was also an easier way for us to get sponsorship from businesses—a visible event that let sponsors "see" what their support offered. Conversely, the education program appeared to have a bigger profit margin, but it also required a much bigger fixed-cost structure. During the years, we built spreadsheets for dozens of scenarios—education only, education and exhibition/fellowships, equipment only, equipment and education, etc. No matter what the scenario, it was always absolutely clear: Any cost savings really meant cutting staff, and cutting staff meant losing equivalent amounts of either earned or contributed income.

The way out, I always believed, was for BF/VF to grow. But that was not easy. We didn't have as effective a fundraising board as we needed, there were limited sources of support in the community, and we suffered through draconian cutbacks in public funding, later exacerbated by losing the MacArthur Foundation's program of support to media arts organizations. Short-term cash-flow issues always ruled over long-term investments, and the contributed support did not close the gap that would have allowed us to invest what

was needed. Although I wasn't privy to inside information after my departure, I know that BF/VF took the route of cutting costs, which had to accelerate a downward spiral.

Size Does Matter

As a former NAMAC board member, I remember our meetings as a forum for some of my own organizational psychotherapy. Being able to talk to fellow board members Sally Fifer, formerly of Bay Area Video Coalition (BAVC), Charlie Humphrey of Pittsburgh Filmmakers, and Tom Borrup, formerly with Intermedia Arts, was always invaluable; their organizations were the size to which BF/VF aspired. I remember one conversation with Charlie in which he said to me very simply, "Anne Marie, you are just in that hell zone for non-profits." As one example, our annual consolidated budget, at its height, went up to over \$750,000, which was also the time that BF/VF had qualified for funding from the National Arts Stabilization Fund. NASF grants are structured as multi-year grants; money is released only when certain fiscal requirements are met. Specifically, you cannot run a deficit and you must have NASF funds available in reserve at the end of a fiscal year. At the end of the first year we were unable to have the necessary funds in reserve, and so we lost the grant.

Ultimately, the issue of size has a lot to do with organizational systems and resources. You have grown large enough that you have a number of programs and administrative systems in place, and a number of paid staff people, all of whom are probably working at maximum capacity. In our case, after years of MacArthur grants geared to developing earned income, the staff's efforts brought us as much as 65% to 70% earned income—not bad for a nonprofit. And so you ask yourself, "How hard can the rest really be?" Unfortunately, the answer is: unbelievably hard. For BF/VF, raising 30% of our budget meant an annual need in the neighborhood of \$200,000. With NEA support maxing out at \$30,000, the state coming in somewhere near there (in a good year), and the city putting in a max of \$5,000... Well, you can do the math. Few foundations provide operating support to this field, although some organizations have the fortune to be in communities more supportive of their smaller arts institutions. The rest of the budget had to come from a mix of program funding, individual donors (requiring years of cultivation), or events (requiring phenomenal amounts of energy). Essentially, you're not small enough that your revenue and the contributions of volunteers will cover your expenses, allowing you to forego fundraising efforts; and you're not big enough to cover the fundraising expenses (staff, collateral materials, research costs, cultivation costs, etc.) required to effectively compete for the kind of dollars you need.

Around the country, some of the larger organizations have solved the problem in different ways. BAVC went after and won public contracts for skills training, Intermedia Arts became an interdisciplinary arts center that could play an important role in Minneapolis, and Pittsburgh Filmmakers had sizeable contracts with higher education institutions, a model we assiduously studied. Learning from Pittsburgh, we started a relationship with Northeastern University, which we had hoped to replicate with other colleges and universities in the area who weren't investing heavily in their film/video related programs.

The other size-related issue important to nonprofits, for this field in particular, is that smaller nonprofits are often driven by a founder or a particularly strong leader. The bigger you get, the more professional your infrastructure has to become beyond the leadership. The stronger institutions are the ones that have been able to move past the presence of a single leader. I believe more than ever that the hallmark of being a good manager is building a structure that allows you to become expendable.

Planning Makes a Difference

I vividly remember my arrival at BF/VF. I was hired as the director of programs. Carla Roberts, the director, had begun a long-range planning process. As I recall, there were more than ten people on staff at the time, and a retreat was scheduled for the winter. A few staff people were up in arms because the cash flow, as was often the case, was unbelievably tight. "How can we even think about renting a place off-site for a weekend, hiring these consultants, and talking about pie-in-the-sky stuff when we're not even sure we have payroll next week?"

Carla was right to do the planning. You can't afford not to plan—and you don't have to spend a lot of money to do it. Over the years, after participating in a number of planning processes, I really came to understand the value. For me, it comes down to the following:

- A plan means you believe you have a future. To get everyone in the organization to buy into a future, you have to be able to tell them what it looks like. To be able to tell them what it looks like, you have to do some real information-gathering, thinking, talking, and hashing out together. An exciting yet achievable vision for the future cannot be pulled out of thin air.
- To imagine a future that is right for you, you need to understand your competitive edge as an organization—what makes you of particular value in the environment where you operate. This is based on your accumulated expertise and knowledge, your particular skills, your core values, and what you offer that others around you can't or don't. The most successful organizations deeply understand their competitive edge and use it to their full advantage.
- To navigate from the "here" to the "there" in a plan, you have to understand your strengths and weaknesses, and you have to understand the environment. Identifying and articulating your own strengths as part of a planning process is an extremely empowering experience. Everybody in the room hears it, establishing a shared sense of value—and it's sometimes possible to discover that you have more strengths than you thought.

Overall, good planning makes it easier to form decisions, to understand which actions make sense (and which don't), and to save a lot of time and energy—which also means saving money. I found that whether or not I actually looked at the plan later, the process instilled in me an understanding of what my short-term objectives were, and I managed accordingly. Because planning really meant coming to consensus, everyone in the organization became clear why we made certain choices with limited resources, and we eliminated the need to justify decisions after the fact.

Professional Development is Invaluable

In my last year at BF/VF, I took the three-day National Arts Stabilization seminar on leadership in a changing environment, which was something that NAMAC had pushed. It had a lot to do with developing an interest in business school. The seminar was essentially an extremely condensed version of a strategy course, and—surprise—strategy is fundamentally similar to planning. The NAS program brought together large and small organizations from a single community, with each organization required to send at least three representatives. (This number is critical, not only so that you can work on organizational issues together, but to help build a common language and new ways to look at problems). The NAS curriculum looks at the concepts of competitive advantage, core values, mission, and big goals, and includes case studies of different organizations and companies. The most interesting exercise was on the last day, when each group was asked to present to the full seminar what they considered their biggest organizational mistake. The answers—which were based on understanding your own mission, strengths, and competitive advantage—were quite revealing. Our biggest mistake, we concluded, was suspending our exhibition program for financial reasons. It seems to me that many people I knew in the field suffered from poverty mentality. At BF/VF, we definitely felt we couldn't spare the extra dollars unless there was grant funding. But professional development allows one to gain extra skills, build a new and different community of peers (which can be very refreshing and energizing), and feel like the organization that one puts enormous amounts of time and energy into is giving something back. It can also be just plain fun.

One of the more valuable classes I took was on negotiations—what might be considered "the art of the deal." The curriculum was scenario-based. Participants were given different roles, which they studied before class, not knowing what the others' roles were. In class you sat down, negotiated the scenario, and then reflected on the process and evaluated your performance. You were taught to consider your strategy going into a negotiation. What would be your best outcome? What are you willing to offer? What behind-the-scenes preparation can be done? What are the interests of the different parties, and where can you find mutual interest? Who are your allies? Who poses challenges and obstacles? The class provided me with some tools to approach issues that I had never bothered to think of as quantifiable in a more objective way. I think other NAMAC members might find this kind of a negotiations seminar worthwhile. In any case, the benefits of professional development for both the individual and the organization are immeasurable. During the NAS seminar and at business school I greatly appreciated meeting people from different organizations and communities who helped me think about my own questions from new vantage points. Some of these people have become great resources for me (as I hope I have for them). Learning felt like a luxury—there was no risk, no bad outcome. That was a welcome change from the day-to-day managing of an organization and the worries about meeting payroll. And then there are the benefits to the organization—not only do people do their jobs better, but they bring back new resources, new energy, and new insights. An organization that invests in professional development can also increase a sense of loyalty among its staff.

Be Picky about Who You Work With

Silly as this sounds, it was one of the most important things I learned through the years. Even though such cases were by far the minority, there were board members who should have never become board members; staff who, despite great skills, became extremely divisive within the organization and community; and community members and constituents who were more focused on what BF/VF wasn't doing for them than how they might make the situation better. It was hard to learn how to keep such people at arm's length. I spent far too much time and energy cultivating people I thought could be helpful, could be donors, could be whatever, when instead I should have been looking to those who were already participating, helping, or providing invaluable energy. For a time, many of us talked a lot about getting rich people on our boards. The lesson has been that it is definitely not enough for them to be rich; just because people can do something never means they will. When you're running with insufficient support, the most important thing is to surround yourself with staff and community who provide positive energy. It's easy to think the cause makes the pain worthwhile, but the truth is that by learning how to keep the community positive, you build a better and stronger organization.

Looking back, I don't regret any of the time I spent at Boston Film/Video Foundation. Of course it would have been nice to know then some of the things I know now—but the good news is I do know them now. And it's important, as time marches on, that not only the lessons that I learned but all of our hard-earned lessons continue to benefit the field.

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